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EXCISE

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY RS 14 MAY 1982
PORTIONS DENIED AS INDICATED

8451.26/12-1561

EYES ONLY AMBASSADOR

Dept announcing 1300 hours December sixteen RPT sixteen US after further careful study has decided to provide financial assistance to Volta Dam Project in/

Drafted by: AF:AFW:WBCoote:sej 12-15-61

Telegraphic transmission and classification approved by: AFW - Henry J. Tasca

Clearances:
AF - Mr. Williams (subs.)
L - Mr. Chayes (subs.)
U - Mr. Springsteen
AFW - Mr. Ferguson
White House - Mr. Dungan (subs.)
S/S-Mr. Anderson

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FORM DS-322 5-61

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in Ghana. In order not RPT not give Nkrumah opportunity dramatize this action as personal triumph and evidence Western approval his policies, every effort being made treat this as routine announcement and have signing ceremonies at IBRD in Washington.

President has sent Clarence Randall to Accra. No fanfare attendant trip. He and Ambassador will inform Nkrumah of decision. In so doing will make it clear US is proceeding with project in spite of serious concern present policies Ghanaian Govt and in conviction that it will contribute to welfare of Ghanaian and African people. Does not RPT not constitute endorsement Nkrumah or his policies.

FYI President has asked Randall make strongest representations to Nkrumah dealing with Ghanaian subversive activities against friendly governments, assurances re civil and political liberties, freedom of press, etc. END FYI

It is most important that African opinion clearly understands rationale US extending aid Volta Project. Ambassadors should take all means in their opinion necessary including conversations Chief of State where appropriate to ensure adequate understanding. Following points should be made as appropriate:

1) Aid to Volta demonstration US interest in Ghanaian people in the advancement welfare Africans not RPT not in any sense approval Nkrumah or his policies.

2) Disapproval would seriously undermine morale and influence moderate elements and at same time strengthen radical elements not RPT not only in Ghana but elsewhere in West Africa. Ghanaians on whole freedom-loving people with strong aversion present totalitarian methods and real appreciation Western values.

3) Stress fact loan to GOG is $37 million covering five-year period and aid to be/

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to be disbursed in first three years about $25 million and failure GOG meet its commitments under agreements could jeopardize continuance US participation in project. [redacted] B1 ED Ghana is putting in sizeable contribution of own. Remainder of US loans to consortium of American companies to build smelter and not RPT not to GOG. It is expected that it will take 5-7 years to complete dam and smelter. Annual US contributions will thus be quite moderate in amount. The project is self-liquidating.

4) Approval Volta Project cannot be regarded as example US reward QUOTE bad boys UNQUOTE in Africa more than friends, and it in no way affects US ~~willing~~ willingness/support other well conceived and developed African ~~aids~~ aid programs meeting our aid criteria. Within past week USG has announced sizeable contributions to Nigerian and Tanganyikan multi-year economic development plans.

5) Both IBRD, a specialized institution of UN, and USG have examined project which dates back many years, and found it economically feasible. This has been a carefully worked ~~out~~ out project over long period of time. IBRD took leading role in mobilizing financing. UK also involved in financing dam.

6) By maintaining some leverage on Nkrumah, US will be in better position to relieve subversive pressures on other African states by Ghana. [redacted] B1 ED

[redacted]

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